

## Message Text

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ACTION SS-25

INFO OCT-01 ISO-00 SSO-00 NSCE-00 /026 W

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O 121314Z NOV 74

FM AMEMBASSY GEORGETOWN

TO SECSTATE WASHDC IMMEDIATE 545

C O N F I D E N T I A L GEORGETOWN 2011

E.O. 11652: GDS

TAGS: EMIN EINV GY

SUBJECT: GUYANA MISTRUST OF REYNOLDS

REF: KREBS-BURKE TELECONS NOV 7 & 8.

EXDIS

1. I QUERIED MINISTER OF STATE IN PM'S OFFICE NASCIMENTO NOVEMBER 10 AT CHANCE MEETING FURTHER ABOUT GOG'S QUOTE DOCUMENTARY EVIDENCE UNQUOTE WHICH BURNHAM AND JACK ALLEGED LAST WEEK PROVED THAT REYNOLDS HAD TRANSMITTED ORDERS TO LAY OFF 200 ADDITIONAL EMPLOYEES CONTRARY TO ASSURANCES RELAYED ORALLY THROUGH U.S. NASCIMENTO MAINTAINED HE, PM AND MINMINES JACK BELIEVE EVIDENCE IS GOOD. I REITERATED TO NASCIMENTO THAT REYNOLDS HAD ASSURED US ORALLY IT HAD NO INTENTION OF LAYING OFF ADDITIONAL EMPLOYEES LAST WEEK, (AS HAD PROVEN TO BE THE CASE) AND THAT AS OF LAST WEEK IT HAD GIVEN NO INSTRUCTIONS FOR FURTHER LAYOFFS AND (ACCORDING TO COMPANY SPOKESMAN'S PRIVATE ASSURANCES) WAS NOT THEN PLANNING FOR LAY OFFS IN ADDITION TO THOSE ALREADY ANNOUNCED. I ADDED THAT WE HAD NO RPT NO ASSURANCE AGAINST FURTHER LAYOFFS DURING COMING WEEK OR PRIOR TO DECEMBER 31, BUT WE HAD NO RPT NO INDICATION THERE WOULD BE SUCH LAYOFFS.

2. NASCIMENTO SAID THAT "DOCUMENTARY EVIDENCE" WAS A TELEPHONE CONVERSATION FROM REYNOLDS TO LOCAL PRINCIPALS INSTRUCTING THEM TO PREPARE LIST OF 200 FOR ADDITIONAL LAYOFF WITH HOME ADDRESSEES, AMOUNT OF SEPARATIONPAY, ETC. HE WOULD NOT SPECIFY WHETHER THIS "EVIDENCE" WAS IN THE FORM OF RECORDING OF TELEPHONE CONVERSATION OR INFORMATION (PERHAPS MEMO) FROM LOCAL REYNOLDS

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EMPLOYEE PRIVY TO CONVERSATION. I POINTED OUT THAT PREPARATION

OF LISTS FOR TERMINATION PURPOSES AT OR NEAR TIME OF NATIONALIZATION WAS NORMAL BUSINESS PRACTICE, AND SHOULD NOT BE MISINTERPRETED.

3. NASCIMENTO WAS AWARE OF GOLDBERG'S DELAYED ARRIVAL NOV 19 AND INQUIRED AS TO WHOSE PRIVATE JET GOLDBERG WOULD BE USING, ALSO SUSPICIOUSLY ASKING WHY THERE WAS INITIAL CONFUSION AS TO WHETHER GOLDBERG WAS REPRESENTING ONLY REYNOLDS OR BOTH REYNOLDS AND OPIC. I PROFESSED IGNORANCE ON THE OWNER OF THE JET AND EXPLAINED THE INITIAL CONFUSION BY NOTING THAT THE FIRST MESSAGE HAD APPARENTLY BEEN INEXACT, PERHAPS BECUASE IT WAS TRANSMITTED INDIRECTLY THROUGH SEVERAL TELEPHONE CONVERSTIONS, BUT THAT GOLDBERG HAD SUBSEQUENTLY CLARIFIED TO STATE DEPT OFFICIAL THAT HE WAS REPRESENTING OPIC ALONE AND HAD MERELY OBTAINED REYNOLDS CONSENT AS IS CUSTOMARY FOR A LAWYER WHO FORMERLY REPRESENTED ONE PARTY PRIOR TO BEGINNING WORK FOR ANOTHER WHICH MIGHT INVOLVE FUTURE LITIGATION BETWEEN THE TWO.

4. LATER IN DAY, WHEN I MENTIONED TO BURNHAM THAT AMBASSADOR KREBS AWAY THIS WEEK, HE SAID THAT THIS WEEK SHOULD BE A CALM ONE, WITH THE PROBLEMS COMING NEXT WEEK, ALSO ASKING WHOSE PLANE GOLDBERG WOULD BE USING. (HE HAD ASKED AMBASSADOR SAME QUESTION NOVEMBER 8.)

5. COMMENT: WE WOULD APPRECIATE CONFIRMATION FROM OPIC THAT GOLDBERG REPRESENTING OPIC AND OPIC ALONE ON THIS TRIP. OBVIOUSLY, INCIDENT SUCH AS GOLDBERG'S ARRIVAL IN REYNOLDS CORPORATE JET WOULD HAVE HIGHLY NEGATIVE IMPACT. THOUGH WE REALIZE REYNOLDS NO-LAY-OFF GUARANTEE HAS NOW EXPIRED, ANY ADVANCE NOTICE OF ADDITIONAL LAYOFFS WOULD BE HIGHLY DESIRABLE PARTICULARLY IF WE WERE AUTHORIZED TO INFORM GOG, EVEN IF ADVANCE NOTICE WERE ONLY A FEW HOURS.  
MATTHEWS

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## Message Attributes

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**Concepts:** BAUXITE, NATIONALIZATION, BUSINESS FIRMS, NEGOTIATIONS, VISITS  
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**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
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**Disposition Authority:** cunninfx  
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**Original Previous Classification:** n/a  
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**Page Count:** 2  
**Previous Channel Indicators:** n/a  
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**Previous Handling Restrictions:** n/a  
**Reference:** KREBS-BURKE TELECONS NOV 7 & 8.  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** cunninfx  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 16 SEP 2002  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <16 SEP 2002 by boyleja>; APPROVED <11 MAR 2003 by cunninfx>  
**Review Markings:**

Declassified/Released  
US Department of State  
EO Systematic Review  
30 JUN 2005

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
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**Status:** NATIVE  
**Subject:** GUYANA MISTRUST OF REYNOLDS  
**TAGS:** EMIN, EINV, GY, US, REYNOLDS, OPIC, (GOLDBERG)  
**To:** STATE  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005